

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 26, 2001 LB 398A, 516

CLERK: (Record vote read, Legislative Journal page 1697.)
40 ayes, 0 nays, 5 present and not voting, 4 excused and not
voting, Mr. President.

SENATOR CUDABACK: The bill passes with the emergency clause
attached. Mr. Clerk.

CLERK: Mr. President, LB 516, Senator Beutler would move to
return the bill for AM1552. (Legislative Journal page 1515.)

SENATOR CUDABACK: Senator Beutler, you're recognized to return
for a specific amendment.

SENATOR BEUTLER: Senator Cudaback, members of the Legislature,
this particular amendment is being put before you with the
permission of Senator Smith. Senator Smith's bill has to do
with the real estate transfer tax and the restoring of that
monies from that transfer tax to the affordable housing project.
And what this amendment would do would be to add a provision
that is not related to affordable housing. It is a bill that
came out of Revenue Committee with an 8 to nothing vote, a
consent calendar type bill, which, again, Senator Smith is
allowing me to put before you. The bill was brought to me by
constituents in the banking and mortgage lending businesses to
correct what they consider a...and what I consider a
misinterpretation of the law relating to real estate transfers.
The real estate transfer tax, you will recall, is \$1.75 per
thousand. That is applied and paid by the seller or the
transferor each time there is a real estate transaction, and
every seller, every transferor has to pay that tax unless they
are specifically exempted by statute. And you will note in the
amendment, when you call it up on your screen, you can see the
entire statute, 76-902, which lays out a series of
21 exemptions, 21 situations where you do not pay the transfer
tax. And what this bill does is to clarify, by adding an
exemption, a particular situation where you would not pay the
transfer tax. Let me give you an example of that situation.
The current mortgage mechanism that's currently used by
financing companies to be the security instrument on the
transfer of real estate is called a deed of trust. You can use
a mortgage or you can use a deed of trust. When a finance